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(EGY/76/001/09)
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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF EGYPT

Suez Canal Zone Feasibility and Design Studies (Phase II)
- Development Plan for Suez Governorate
(EGY/76/001/09)

Report of the Administrator*

Date of present approval:	March 1979
Starting date of project activities:	May 1979
Planned completion date:	May 1980
To be executed by:	United Nations Development Programme (UNDP)
Estimated cost of assistance planned under present approval:	$312 000 1/
Source of UNDP financing:	Cost-sharing Arrangement for the Suez Canal Zone

I. Background

1. The present Phase II project is a follow-up to the project, Master Plan Studies for the Canal Zone (EGY/74/015) 2/, approved by the Governing Council in January 1975. That project, which was satisfactorily completed in December 1976, identified a large number of priority investment projects for which feasibility and design studies were required to demonstrate their validity and attract outside investment financing. Further technical assistance was needed to do this.

2. Preliminary estimates of the total assistance required for all the pre-investment activities amounted to $15 million but the IPF resources available were not sufficient to cover this cost. A special cost-sharing arrangement was therefore devised enabling other Governments to contribute financially as desired and to be dispensed in accordance

1/ Includes provision of $12,000 for Executing Agency support costs.
2/ DP/PROJECTS/R.3/Add.4.

*In accordance with General Assembly resolution 2688 (XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of $250,000 or more (including, if any, assistance financed by Government or by third-party cost-sharing).

with relevant UNDP financial rules, policies and procedures. To date, 14 donor countries have pledged a total of $11,745,202. An amount of $3 million which was originally charged to cost-sharing for the period 1975-1977 during the first phase of the project has now been charged to the IPF and credited to the Suez Canal cost-sharing Fund.

3. UNDP assistance was sought in the implementation of thirteen of the 113 potential pre-investment studies namely: (a) Industrial Development Plan (01); (b) Tourism Development Study (02); (c) Urban Land Reclamation (03); (d) Suez Air Quality Study (04); (e) Water Resources Study (05); (f) Integrated Agricultural Development Study (06); (g) Lake Manzala Development Study (07); (h) Building Trade Manpwoer Training Study (08); (i) Structure Plan for Suez Governorate (09); (j) Information System (10); (k) Human Resources Development Study (11); (l) Development Plans Implementation (12); and (m) Solid Waste Management Study (13).

4. To simplify the submission and approval procedures an "umbrella" project document was approved for all priority studies in March 1977 3/, at which time assistance to the first two studies listed in paragraph 3 above was approved. The project document also included a Memorandum of Agreement containing provisions defining the area and type of projects covered by the cost-sharing schemes, the institutional framework for identification approval, contracting procedures and the responsibility for monitoring and supervision of the studies.

5. UNDP assistance to the third and fifth studies, Port Said Urban Land Reclamation Design Study 4/ and Water Resources Study (for $11,500 under subcontract) respectively, were approved in August 1977, and the fourth one, namely Suez Air Quality Study, in November 1977 5/. The sixth study, Integrated Agricultural Development Study, was approved in August 1978 6/ and the seventh, Lake Manzala Development Study 7/, in December 1978. The eighth study, Building Trade Manpower Training Study 8/, was approved in May 1978.

6. UNDP assistance to the ninth study, Development Plan for Suez Governorate, has now been approved.

7. Co-ordination of the study at the national level has been provided by a Joint Management Committee (JMC) composed of representatives of the Ministry of Foreign Affairs, the Advisory Council for Reconstruction (ACR), the General Organization for Physical Planning, the Central Authority for Reconstruction and UNDP.

II. Objectives and activities

8. The immediate objectives of the twelve studies including the present one remain to: (a) contribute to the improvement and further development of the infrastructure network in the Canal Zone; (b) promote an adequate range of employment opportunities; (c) improve the living standard in the Canal Zone; (d) increase agricultural production to meet the needs of increased population and industrialization; (e) provide early and assured socio-economic returns; (f) strengthen administrative and management systems; and (g) ensure the protection and improvement of the environment.

3/ DP/PROJECTS/1436.
4/ DP/PROJECTS/2408.
5/ DP/PROJECTS/2409.
6/ DP/PROJECTS/2495.
7/ DP/PROEJCTS/2507.
8/ DP/PROJECTS/2494.

9. The immediate objective of the study now approved is to investigate the possibilities for development of the Suez Governorate in relation to the utilization of existing and potential water resources, particularly the Sweetwater Canal. Questions of infrastructure must also be looked at for this Governorate in relation to the plans and on-going actions for the total study area. A number of specific but co-ordinated technical studies will be prepared to this end.

III. Inputs

10. Preparation of the studies will be subcontracted by UNDP in consultation with the Government. The Government will bear some of the local cost of the contractor.

IV. Financial data

11. The expenditure components of the planned assistance are as follows:

	$
Subcontract	300 000

12. The estimated total value, expressed in US dollars, of inputs provided directly by the Government to the project is $385,100 in kind.